

**Colonial School District
Construction Projects**

**Independent Accountant's Report on
Applying Agreed-Upon Procedures**

June 30, 2008

Table of Contents

	Page
Independent Accountant's Report on Applying Agreed-Upon Procedures	3
Appendix A - Schedule of Findings and Recommendations	5
Appendix B - Schedule of Prior Year Findings.....	6
Appendix C - Schedule of Construction Projects	7
Distribution of Report.....	8

Independent Accountant's Report on Applying Agreed-Up Procedures

George H. Meney, Ed. D.
Superintendent
Colonial School District
318 E. Basin Road
New Castle, DE 19720

The Honorable Lillian Lowery
Secretary, Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19901

We have performed the procedures enumerated below, which were agreed to by the Colonial School District (the School District), the Office of Auditor of Accounts, and the State of Delaware Department of Education on the District's construction projects. The procedures were performed solely to assist the specified parties in evaluating the School District's compliance with criteria from the State of Delaware Fixed Asset Policy Manual, the State of Delaware Department of Education School Construction Technical Assistance Manual, the Delaware Code, and the State of Delaware Budget and Accounting Manual. The School District's management is responsible for compliance with those requirements.

This agreed-upon procedures attestation engagement was performed in accordance with *Government Auditing Standards* (2003), issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Determine if the School District's policies and procedures for identifying, tracking, and recording capital assets are adequate.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

2. Determine whether the School District's construction project records and files (current and prior fiscal years) are accurate.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

George H. Meney, Ed. D.
The Honorable Lillian Lowery

3. Determine if expenditures are accurately stated and are made in accordance with the State's Fixed Asset Policy Manual and the intent of the project scope mandated by the General Assembly, the Department of Education, and the local Board of Education.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

4. Determine whether the School District's construction project records and files include only active construction projects as of June 30 of the current fiscal year. Ensure that completed projects have been appropriately closed out of construction and added to the State's Fixed Asset Accounting System.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Colonial School District management and Board Members and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, the Office of the Controller General, the Office of the Attorney General, the Office of Management and Budget, the Department of Finance, the State Treasurer's Office, and the Office of Auditor of Accounts.

A handwritten signature in black ink that reads "Santora CPA Group". The signature is stylized with a large, sweeping initial 'S'.

Newark, Delaware
January 26, 2009

Appendix A

**Colonial School District
Schedule of Findings and Recommendations**

None

Appendix B

Colonial School District Schedule of Prior Year Findings

The following schedule summarizes the prior year findings and status of the prior year findings.

Prior Year Finding	Recommendation	Status of Prior Year Finding
Finding #07-03	School District personnel should discontinue their process of expending local funds prior to authorization of the State funds being awarded.	School District personnel have updated their policies and procedures to discontinue the process of expending local funds prior to authorization that the State funds will be awarded and are in compliance with Title 29, Delaware Code Section 6519. Implemented
Finding #07-04	School District personnel should establish the appropriate controls to ensure that purchase orders are initiated on the same date the contract is signed.	District personnel have updated the procedures around purchase orders to ensure they are initiated on the same date the contract is signed. Implemented

Status Key

Implemented

The concern has been addressed by implementing the original or an alternative corrective action.

Not Implemented

The corrective action has not been initiated.

Partially Implemented

The corrective action has been initiated, but is not complete, and the auditor has reason to believe management fully intends to address the concern.

Colonial School District

Schedule of Construction Projects

Project Name	Fiscal Year	Original Funding Amount	De-auth Funding Amount	Total Project Funding to Date	Expended Current Fiscal Year	Expended Prior Fiscal Years	Total Project Expended to Date	Total Unspent as of 6/30/08
New Castle Middle	2007	\$ 3,441,600	\$ -	\$ 3,441,600	\$ 34,359	\$ 8,961	\$ 43,320	\$ 3,398,280
William Penn High	2003	9,019,000	1,225,981	10,244,981	-	10,239,071	10,239,071	5,910
William Penn High	2008	10,674,300	-	10,674,300	8,000,173	-	8,000,173	2,674,127
Gunning Bedford Middle	2008	4,034,000	698,100	4,732,100	4,506,443	-	4,506,443	225,657
Wilmington Manor	2008	3,017,600	-	3,017,600	1,817,992	-	1,817,992	1,199,608
George Read Middle	2008	6,047,300	-	6,047,300	2,889,201	-	2,889,201	3,158,099
McCullough Elementary	2007	4,757,300	-	4,757,300	4,312,069	185,213	4,497,282	260,018
McCullough Elementary	2008	5,143,600	-	5,143,600	1,846,912	-	1,846,912	3,296,688
State FDK	2006	8,683,200	-	8,683,200	33,129	8,650,071	8,683,200	-
Wrangle Hill	2006	945,223	-	945,223	945,223	-	945,223	-
Wrangle Hill	2007	21,336,700	-	21,336,700	4,756,318	16,283,272	21,039,590	297,110
Wrangle Hill FDK	2007	4,276,800	-	4,276,800	481,078	3,794,503	4,275,581	1,219
Wrangle Hill Land	2007	1,650,000	-	1,650,000	-	1,650,000	1,650,000	-
Total		<u>\$ 83,026,623</u>	<u>\$ 1,924,081</u>	<u>\$ 84,950,704</u>	<u>\$ 29,622,897</u>	<u>\$ 40,811,091</u>	<u>\$ 70,433,988</u>	<u>\$ 14,516,716</u>

Distribution of Report

Copies of Colonial School District's Agreed-Upon Procedures Attestation Engagement have been distributed to the following public officials:

Executive Branch

The Honorable Jack A. Markell, Governor, State of Delaware
The Honorable Gary M. Pfeiffer, Secretary, Department of Finance
The Honorable Ann S. Visalli, Director, Office of Management and Budget
The Honorable Lillian M. Lowery, Secretary, Department of Education
Ms. Dorcell Spence, Associate Secretary, Finance and Administrative Services,
Department of Education
Ms. Trisha Neely, Director, Division of Accounting, Department of Finance

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable Joseph R. Biden III, Attorney General, Office of the Attorney General
The Honorable Velda Jones-Potter, Treasurer, State Treasurer's Office

Other

Diane Callaway, President, Colonial Board of Education
Sandra Dwyer, Vice President, Colonial Board of Education
Bobby Benjamin, Colonial Board of Education
Leo Magee, Colonial Board of Education
Joseph T. Laws, III, Colonial Board of Education
Richard W. Schiller, Jr., Colonial Board of Education
George H. Meney, Ed. D., Superintendent, Colonial Board of Education
Karen Thorpe, Director of Business, Colonial Board of Education